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- (3) Collect the funds necessary to provide support pursuant to this subpart in accordance with subpart H;
- (4) Distribute support calculated pursuant to the rules contained in this subpart; and
- (5) Report quarterly to the Commission on the collection and distribution of funds under this subpart as described in §54.701(g). Fund distribution reporting will be by state and by eligible telecommunications carrier within the state.

[65 FR 38690, June 21, 2000; 65 FR 57739, 57740, Sept. 26, 2000]

§54.803 Universal service zones.

- (a) The zones used for determining interstate access universal service support shall be the same zones that would be used for End User Common Line (EUCL) charge deaveraging as described in §69.152(q)(2) of this chapter.
- (b) In a price cap study area where the price cap local exchange carrier has not established state-approved prices for UNE loops by zone, the Administrator shall develop an estimate of the local exchange carrier's Zone Above Benchmark Revenues for transitional purposes, in order to reserve a portion of the fund for that study area. This estimate will be included by the Administrator in the Nationwide Study Area Above Benchmark Revenues calculated pursuant to §54.806.
- (1) For the purpose of developing this transitional estimate, the loop and port costs estimated by the FCC cost model, or other substitute method if no model is available, shall be used.
- (2) For the purpose of developing this transitional estimate, the administrator shall construct three zones. Wire centers within the study area will be grouped into these zones in such a way that each zone is assigned approximately one third of local exchange carrier base period lines in the study area, with the lowest cost wire centers assigned to Zone 1, the highest cost wire centers assigned to Zone 2.

[65 FR 38690, June 21, 2000; 65 FR 57740, Sept. 26, 2000]

§ 54.804 Preliminary minimum access universal service support for a study area calculated by the Administrator.

- (a) If Average Price Cap CMT Revenue per Line month is greater than \$9.20 then: Preliminary Minimum Access Universal Service Support (for a study area) = Average Price Cap CMT Revenue per Line month in a study area * price cap local exchange carrier Base Period Lines * 12) ((\$7.00 * price cap local exchange carrier Base Period Residential and Single-Line Business Lines * 12) + (\$9.20 * price cap local exchange carrier Base Period Multi-line Business Lines * 12)).
- (b) If Average Price Cap CMT Revenue per Line month in a study area is greater than \$7.00 but less than \$9.20 then: Preliminary Minimum Access Universal Service Support (for a study area) = (Average Price Cap CMT Revenue per Line month in a study area—\$7.00) * (price cap local exchange carrier Base Period Residential and Single-Line Business Lines * 12).
- (c) If Average Price Cap CMT Revenue per Line month in a study area is less than \$7.00 then the Preliminary Minimum Access Universal Service Support (for a study area) is zero.

[65 FR 57740, Sept. 26, 2000]

§ 54.805 Zone and study area above benchmark revenues calculated by the Administrator.

- (a) The following steps shall be performed by the Administrator to determine Zone Above Benchmark Revenues for each price cap local exchange carrier.
- (1) Calculate Zone Average Revenue Per Line.
- (2) Calculate Zone Above Benchmark Revenues. Zone Above Benchmark Revenues is the sum of Zone Above Benchmark Revenues for Residential and Single-Line Business Lines and Zone Above Benchmark Revenues for Multi-Line Business Lines. Zone Above Benchmark Revenues for Residential and Single-Line Business Lines is, within each zone, (Zone Average Revenue Per Line minus \$7.00) multiplied by all eligible telecommunications carrier Base Period Residential and Single-Line Business Lines times 12. If negative, the Zone Above Benchmark